State Dept. review completed

WARNING

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

CONTENTS

rt €

	Page	
1.	Communist China 1	
2.	South Korea	-
3.	Yemen	
		25X1
6.	Ecuador 6	

11 Apr 66

25X1

1. COMMUNIST CHINA

Mao Tse-tung has not made a public appearance since 26 November, a long absence that raises the question of the succession. Mao may be seriously ill and totally incapacitated, or may be merely immobile but still sufficiently alert to retain control. We doubt he is near death, or his deputy and heir-apparent Liu Shao-chi would not be making extended visits to South Asian countries.

The Chinese leadership is probably in a presuccession phase—a difficult transition period which will last until Mao dies or ceases to wield significant power. It seems likely that during this period policies will be maintained along established lines, and it will be increasingly difficult for Peking to shift course. In his last days Mao himself will undoubtedly continue to take an exceedingly narrow and doctrinaire view of China's many foreign and domestic problems. His immediate lieutenants, while perhaps in closer touch with reality, appear intent on representing themselves as reliable, ultraloyal followers of Mao and are unlikely to suggest departures from established policy.

Even after Mao goes, no fundamental policy changes are expected. The men around him are all first-generation, old guard revolutionaries, all implacably hostile to the US. They will be completely uncompromising over Vietnam, for example. Nevertheless, they may be more flexible than Mao in the pursuit of goals they have shared with him. They might, for example, take a more moderate approach toward intellectuals and toward the underdeveloped states.

25X1

-1-

11 Apr 66

Approved For Release	2007/09/04 : CIA-RDP791	Г00826А000500010067-7
	SEURE 1	· · · · · · · · · · · · · · · · · · ·

2. SOUTH KOREA

The long-pending status-of-forces agreement threatens to become a major political football which could reduce South Korea's political stability. President Pak's government has stalled too long in negotiations and now, with an election campaign coming up next year, is open to charges of having mishandled a matter affecting national prestige.

The primary target is the draft's provision for criminal jurisdiction over US servicemen, which Koreans believe falls short of rights accorded other countries. Seoul is particularly sensitive to the notion that the Japanese are accorded a better status.

The Koreans also want the US to assume total financial responsibility for civilian claims resulting from damages caused by US military activities. In the field of labor relations, Seoul has stated that the no-strike clause will prove politically embarrassing and may be unconstitutional.

No matter what Pak does, he will be open to attack. Failure to reach an agreement can be represented as sacrifice of a long-sought national objective. Acceptance of the present draft will permit opponents to charge Pak has allowed the US to treat Korea as a second-class country.

Even some members of Pak's government and party believe treaty negotiations should be reopened, and factional fighting could be renewed on the issue. These officials feel that Korea's significant military contribution in South Vietnam should be used as leverage.

25X1

-2-

11 Apr 66

25X1

Approved For	Release	2007/09/04:	CIA-RDP79	T00826A000500010067-	.7

3. YEMEN

New talks on Yemen may begin soon. Both Egypt and Saudi Arabia have asked for the immediate reconvening of the Harad peace conference which recessed last December. There is no evidence, however, that the two sides have reconciled the differences which split them at that time, and both Nasir and King Faysal are pessimistic of the outcome. Nasir re-emphasized to Ambassador Battle on 7 April that the Jidda Agreement which led to the first conference is "finished." Meanwhile, Saudi leaders are deeply concerned over what they feel may be an Egyptian build-up in Yemen near the Saudi border. Tension there could result in a clash, even though the Egyptian troop movements may in fact be part of Nasir's announced plan to withdraw some of his troops.

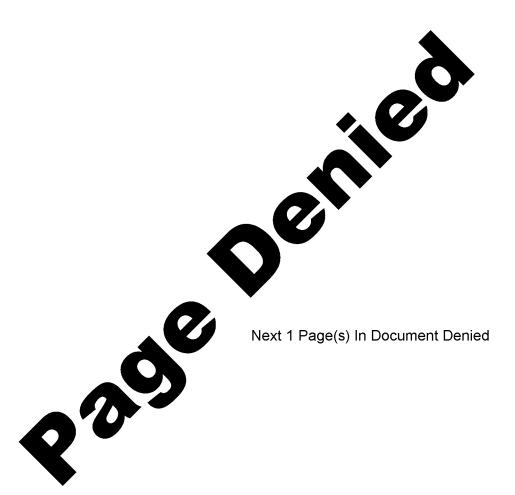
25X1

25X1

3

11 Apr 66

25X1



25X1

25X1

6. ECUADOR

25X6

Provisional president Yerovi's conduct in his first week in office indicates that he will be unwilling

25X6

to take firm steps to meet economic and internal security problems.

Yerovi's concessions to student extremists have reportedly included access to classified police files, and he has granted amnesty for all imprisoned and exiled subversives. At the same time he has dismissed and reassigned high-ranking military officers and removed the commander of the national police. Under these conditions, threats to internal security are likely to expand with little restraint.

Concern is particularly high in some quarters of the military over the internal security problem. The military has the means to remove Yerovi at any time but is probably reluctant to once again take political responsibility.

On the economic front, the government is unwilling to raise taxes, retain existing unpopular revenue measures, or enforce other steps to improve the economy. Foreign exchange reserves are continuing to dwindle, but Yerovi is unlikely to follow through on the junta's efforts to reduce imports. Rather than outrage the traditional economic oligarchy, he is likely to plead for emergency US financial support.

Early elections are now out. Indications are that Yerovi intends to convene a constituent assembly this fall and to rely on the irresponsible politicians there assembled to arrange the further development of the national political system.

25X1

--6-

11 Apr 66

25X1